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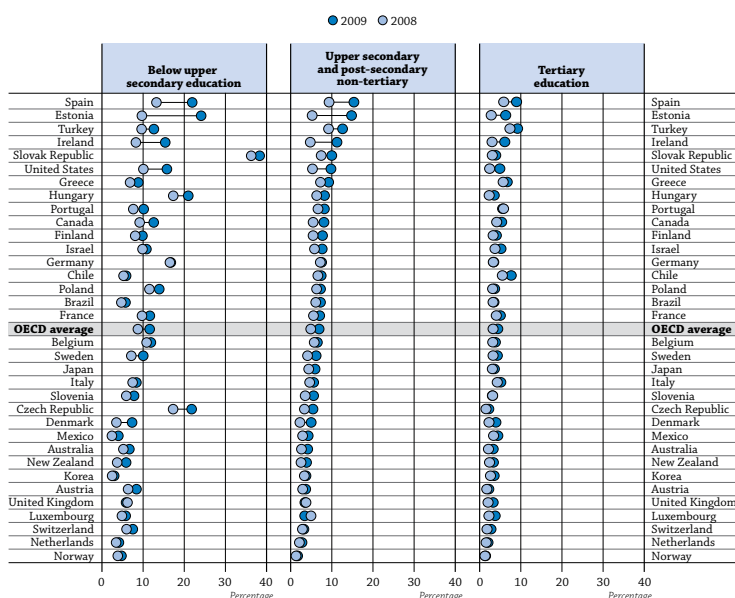
Inside

- A Snapshot of Higher Education
- OECD Economic Outlook No. 90, November 2011
- Lombardy Economy Needs High Skills
- Attaining and Sustaining Mass Higher Education, the Next Event to Attend!
- OECD's Your Better Life Index
- New Members
- Publications of Interest
- IMHE Calendar

A SNAPSHOT OF HIGHER EDUCATION

In 1961, higher education was the privilege of the few; today, roughly 30% of adults in OECD countries have a tertiary qualification. Even at a time when labour markets are shifting and the global economic crisis is not only resulting in high rates of unemployment but also prompting a fundamental re-evaluation of the nature and value of higher education, the demand for further education is only growing. Why? Data from the OECD's *Education at a Glance 2011* offer some insights.

Change in unemployment rates, by level of education (2008-09)



Countries are ranked in descending order of the unemployment rate in 2009 for individuals with upper secondary and post-secondary non-tertiary education. Source: OECD, Table A7.4a. See Annex 3 for notes (www.oecd.org/edu/eag2011).

First, education is generally good insurance against unemployment and for staying employed during difficult economic times. On average across OECD countries, unemployment rates of people with tertiary-level education have stayed at or below 5% between 1997 and 2009 while unemployment rates of those who have not attained an upper secondary education have surpassed 10% several times during that period. This general trend remained true even during the depths of the global downturn in 2009. During that year, the average unemployment rate across OECD countries stood at 4.4% for people with a tertiary education, 6.8% for those with an upper secondary education, and 11.5% for those who had not attained an upper secondary education.

In addition, a higher proportion of people with a tertiary degree generally tend to be in full-time, rather than part-time work. Data show that the proportion of individuals working full-time is 10% higher among those with a tertiary education than among those without an upper secondary education.

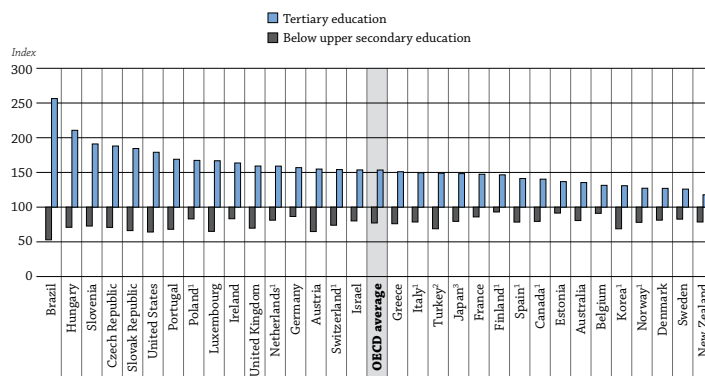
Not only are higher-educated workers more likely to be working and less likely to be unemployed, they are also more likely to be paid more for the work they do. Tertiary education brings

substantial financial rewards to individuals, both in the short term and over a lifetime. A person with a tertiary education can expect to earn over 50% more than a person with an upper secondary or post-secondary, non-tertiary degree. Data show that in Brazil, the Czech Republic, Greece, Hungary, Poland, the Slovak Republic and the United States, men holding a degree from a university or an advanced research programme earn at least 80% more than men who do not have more than an upper secondary or post-secondary, non-tertiary degree. In Brazil, Greece, Hungary, Ireland, Japan, the Slovak Republic, the United Kingdom and the United States, women have a similar advantage.

Over the course of a career, those earning premiums add up. For example, tertiary-educated men in Hungary, Ireland, Italy, Korea, Portugal, Slovenia and the United Kingdom can expect to earn at least USD 400,000 more than men who haven't attained that level of education; in the United States, that figure exceeds USD 600,000. Tertiary-educated women also benefit over their lifetimes, on average, with a net gain of more than USD 100,000 over women who have attained that level of education, taking into account the costs and benefits of tertiary education. While the cumulative financial benefits for women are significantly lower than those of their male counterparts, they are still substantial when compared with the lifetime earnings of women who have not attained a similar level of education.

Relative earnings from employment by level of educational attainment for 25-64 year-olds (2009 or latest available year)

Upper secondary and post-secondary non-tertiary education = 100



Note: Belgium, Korea and Turkey report earnings net of income tax. The Czech Republic, Hungary, Luxembourg, Poland, Portugal and Slovenia report earnings excluding data for individuals in part-time work. Hungary, Luxembourg, Poland and Slovenia also exclude data on part-year earnings.

1. Year of reference 2008.
2. Year of reference 2005.
3. Year of reference 2007.

Countries are ranked in descending order of the relative earnings of 25-64 year-olds with tertiary education. Source: OECD, Table A8.1. See Annex 3 for notes (www.oecd.org/edu/eag2011).

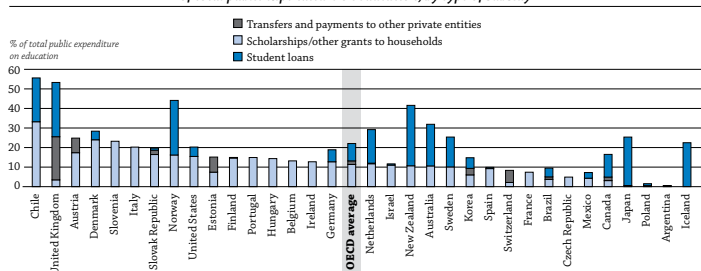
It's not just individuals with higher education who benefit; society does, too. On average across OECD countries, the net public

return on an investment in tertiary education – measured in higher tax receipts, greater social contributions and lower social transfers – is over USD 90,000 for a man and USD 55,000 for a woman. Even after taking into account student grants, the public benefits outweigh the public costs by more than fourfold. There are certainly expenditures, required of both governments and individuals, associated with higher education. Governments are forging new partnerships to share those costs and benefits more equitably. Between 2000 and 2008, both public and private expenditure increased, but the share of public funding of tertiary institutions decreased from 73% to 67% in 19 OECD countries while the share of private funding for tertiary education increased in most OECD countries with comparable data.

Still, part of the funding is borne by individuals and their families. Since 1995, 14 of the 25 countries with available information have implemented reforms on tuition fees, and most of these reforms involved an increase in the average level of fees charged by public institutions of higher education. In one-third of countries with available data, public institutions or government-dependent private institutions charge national students annual fees that exceed USD 1,500; in Korea and the United States, these fees can exceed USD 5,000.

Public subsidies for education in tertiary education (2008)

Public subsidies for education to households and other private entities as a percentage of total public expenditure on education, by type of subsidy



Countries are ranked in descending order of the share of scholarships/other grants to households and transfers and payments to other private entities in total public expenditure on education.
 Source: OECD, Argentina: UNESCO Institute for Statistics (World Education Indicators Programme), Table B5.3. See Annex 3 for notes (www.oecd.org/edu/eag2011).

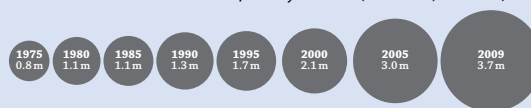
To encourage participation in education, particularly among low-income students, governments offer subsidies to students and their families to offset these costs. An average of 21% of public spending on tertiary education is devoted to supporting students, households and other private entities. In Australia, Chile, the Netherlands, New Zealand, Norway and the United Kingdom, the system of providing grants/scholarships and loans is well developed, and public subsidies to households account for at least 29% of public tertiary education budgets.

Given the benefits associated with higher education, and the actions by governments to ease the financial burden on families, it is not surprising that the number of students enrolled in tertiary programmes is growing. Based on current patterns of entry into higher education, the OECD estimates that an average of 59% of today's young adults in OECD countries will enter academic, largely theory-based tertiary programmes over their lifetimes, and another 19% will enter shorter, largely vocational tertiary programmes. And that's just considering students in OECD countries. According to UNESCO data, some 165 million students participated in formal tertiary education around the globe in 2009 – an increase of 65% since 2000. During the same period, the number of foreign tertiary students enrolled around the world increased at an even higher rate of 77%. *Education at a Glance* reports that in 2009, almost 3.7 million tertiary students were enrolled outside their country of citizenship.

Higher education has clearly gone global: in absolute terms, the largest numbers of international students are from China, India and Korea. Asian students represent 52% of foreign students enrolled worldwide. International students make up 10% or more of the enrolments in tertiary education in Australia, Austria,

Long-term growth in the number of students enrolled outside their country of citizenship

Growth in internationalisation of tertiary education (1975-2009, in millions)



Source: OECD and UNESCO Institute for Statistics.

Data on foreign enrolment worldwide comes from both the OECD and the UNESCO Institute for Statistics (UIS). UIS provided the data on all countries for 1975-95 and most of the non-OECD countries for 2000, 2005 and 2009. The OECD provided the data on OECD countries and the other non-OECD economies in 2000 and 2009. Both sources use similar definitions, thus making their combination possible. Missing data were imputed with the closest data reports to ensure that breaks in data coverage do not result in breaks in time series.

StatLink <http://dx.doi.org/10.1787/888932461617>

New Zealand, Switzerland and the United Kingdom. They also account for more than 20% of enrolments in advanced research programmes in Australia, Austria, Belgium, Canada, Iceland, New Zealand, Sweden, Switzerland, the United Kingdom and the United States.

Enrolling international students can not only help to raise revenues from higher education, but can also be part of a broader strategy to recruit highly skilled immigrants. For example, in OECD countries with available data, an average of 25% of international students who do not renew their student permits change their student status in the host country mainly for work-related reasons.

The internationalisation of higher education goes hand-in-hand with a change in the global talent pool. One in three university-educated retirees lives in the United States, but only one in five university graduates entering the workforce does. Conversely, while only 5% of adults in China have a tertiary degree, because of the size of its population, the country now ranks second behind the United States and ahead of Japan, among OECD and G20 countries, in the percent of the population with tertiary attainment. This trend is likely to continue, and even intensify, as upper secondary attainment becomes universal.

Education at a Glance 2011 shows higher education as a dynamic and continually expanding – with still more room to grow – source of tomorrow's leaders and innovators, and as the indispensable engine for economic growth and greater understanding across cultures.

www.oecd.org/edu/eag2011



IMHE welcomes the following new members:

- > The College of The Bahamas - Bahamas
- > National Cheng Kung University - Chinese Taipei
- > Universidad de Medellín - Colombia
- > Brno University of Technology - Czech Republic
- > American University of Beirut - Lebanon
- > Consejo para la Acreditación de la Educación Superior, Copaes - Mexico
- > Qatar University - Qatar
- > Ministry of Education - Singapore
- > Central University of Technology, Free State - South Africa
- > New England Board of Higher Education – United States

OECD ECONOMIC OUTLOOK NO. 90, NOVEMBER 2011

The global economy has deteriorated significantly since the summer. Advanced economies are slowing down and unemployment remains very high in many OECD economies and, ominously, long-term unemployment is becoming increasingly common. Emerging economies are still growing at a healthy pace, but their growth rates are also moderating. The projection shows very weak OECD growth in the near term, and a mild recession in the euro area, followed by a soft and gradual recovery. On this basis, unemployment would remain very high. The outlook could be much darker if negative events were to

occur, notably a disorderly sovereign default in the euro area with intense contagion to a number of other countries or an excessively tight fiscal policy in the United States due to political gridlock. On the other hand, prospects for the global and OECD economy could become significantly brighter if measures were taken to successfully stem contagion in the euro area and a credible medium-term fiscal programme was to be enacted in the United States.

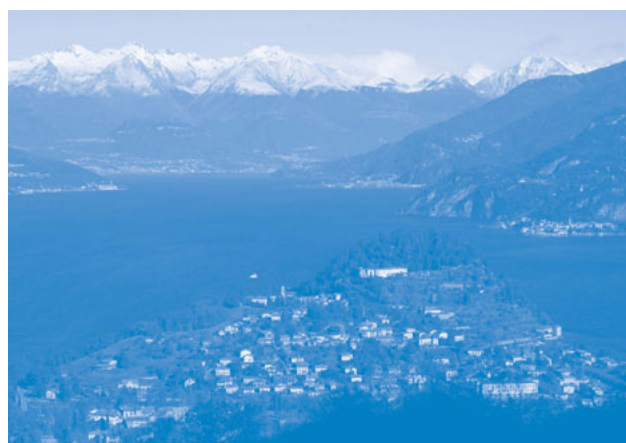
www.oecd.org/oecdEconomicOutlook

LOMBARDY ECONOMY NEEDS HIGH SKILLS

Lombardy, Italy's most dynamic region, has been slow to move to a knowledge economy. Despite a large HE sector, only 15% of its labour force has HE qualifications. Its labour market has traditionally employed many low-skill jobs. The new OECD report shows that to maintain its global position, Lombardy needs a highly skilled workforce and a knowledge-based economy that can absorb it. Universities can play a key role in achieving these goals.

The Lombardy Regional Government sees HEIs and innovation as key economic drivers. It has requested greater competences in these areas, including HE funding. At the same time, public funding is under increasing pressure in Italy which already devotes fewer financial resources to HE than other OECD countries.

The review visit was led by Jaana Puukka (OECD/IMHE). Experts were Susan Christopherson (US), Patrick Dubarle (France) Andrea Hofer (OECD/LEED), Maria Helena Nazaré (Portugal) and Giuseppe Ronsisvalle (Italy).



For more information: Jaana.puukka@oecd.org or www.oecd.org/edu/imhe/regional

ATTAINING AND SUSTAINING MASS HIGHER EDUCATION, THE NEXT EVENT TO ATTEND!

Will higher education continue to be the ticket to social mobility and economic success? To what extent is "western" experience of higher education relevant to emerging economies in Asia and Latin-America? Nations and higher education institutions are grappling to better understand and face the challenges of mass higher education. Since the 1980s, governments have been trying to improve the effectiveness of public services with higher education being among them. At the same time, most countries continued to expand their higher education systems to accept ever more students. This expansion was made in an attempt to enhance the skills, education, and abilities of the workforce and thereby improve a country's economy. New technologies have led

to rapid developments in online learning and given a new lease on life to distance learning as a means to meet demand. The rise of private and for-profit higher education in many countries has increased institutional complexity and led to calls for greater accountability. What effect will these developments have on the quality of education provided? How will the global financial crisis further affect higher education? Is investment in higher education always the best option?

The conference will take place on 17-19 September 2012 in Paris, France

To register: www.oecd.org/edu/imhe/generalconference

OECD'S YOUR BETTER LIFE INDEX

Is life really getting better? How can we tell? What are the key ingredients to improving life – is it better education, healthcare, housing, or working hours? Does it vary for people in different countries?

The OECD has been working for nearly ten years to identify the best way to measure the progress of societies – moving beyond GDP and examining the areas that most impact people's lives. Drawing upon the recommendations of the *Stiglitz Commission on the Measurement of Economic Performance and Social Progress*, and our own *How's Life?* report, we have created *Your Better Life Index* – an interactive tool that allows you to compare well-being across countries, based on 11 topics—jobs, income, governance, environment, housing, education, community, work-

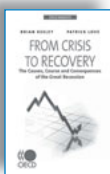
life balance, health, safety and life satisfaction.

The digital platform invites you to put different weights on each topic, and thus decide for yourself how to measure well-being. The resulting visualisation provides a unique view of how countries perform according to the priorities you have set. As you explore each topic, you will find more country-specific information, including links to hundreds of freely-accessible OECD publications.

For further information: www.oecdbetterlifeindex.org



PUBLICATIONS OF INTEREST



OECD Insights *From Crisis to Recovery: The Causes, Course and Consequences of the Great Recession*

OECD Publishing, ISBN: 9789264077072

How did the sharpest global slowdown in more than six decades happen, and how can recovery be made sustainable? *OECD Insights: From Crisis to Recovery* traces the causes, course and consequences of the "Great Recession". It explains how a global build up of liquidity, coupled with poor regulation, created a financial crisis that quickly began to make itself felt in the real economy, destroying businesses and raising unemployment to its highest levels in decades. The worst of the crisis now looks to be over, but a swift return to strong growth appears unlikely and employment will take several years to get back to pre-crisis levels. High levels of public and private debt mean cutbacks and saving are likely to become the main priority, meaning the impact of the recession will continue to be felt for years to come.



Languages in a Global World: Learning for Better Cultural Understanding

OECD Publishing, ISBN: 9789264123557

The rise of globalisation makes language competencies more valuable, both at individual and societal levels. This book examines the links between globalisation and the way we teach and learn languages. It begins by asking why some individuals are more successful than others at learning non-native languages, and why some education systems, or countries, are more successful than others at teaching languages.

Divided We Stand: Why Inequality Keeps Rising

OECD Publishing, ISBN: 9789264111639

In the three decades to the recent economic downturn, wage gaps



widened and household income inequality increased in a large majority of OECD countries. This occurred even when countries were going through a period of sustained economic and employment growth. This report analyses the major underlying forces behind these developments. It examines to which extent economic globalisation, skill-biased technological progress and institutional and regulatory reforms have had an impact on the distribution of earnings. The report further provides evidence of how changes in family formation and household structures have altered household earnings and income inequality. And it documents how tax and benefit systems have changed in the ways they redistribute household incomes. The report discusses which policies are most promising to counter increases in inequalities and how the policy mix can be adjusted when public budgets are under strain.

Literacy for Life:

Further Results from the Adult Literacy and Life Skills Survey

OECD Publishing, ISBN: 9789264091269

Literacy for Life is the second report from the Adult Literacy and Life Skills Survey. It presents additional results on the nature and magnitude of the literacy gaps faced by OECD countries and how these gaps have evolved over the medium term.

It offers new insights into the factors that influence the formation of adult skills in various settings – at home and at work – for the eleven countries participating in the first and last round of data collection between 2003 and 2008. The study offers comparative evidence on the impact of various factors on the supply of skill and a special focus on numeracy skills and problem solving skills. It explores the relationships between numeracy and key socio-demographic factors as well as labour market outcomes and earnings.

UPCOMING EVENTS

Find all our meetings on
www.oecd.org/edu/imhemetings

- 12-13 April 2012** *Internationalisation for Job Creation and Economic Growth*, New York City, United States
www.oecd.org/edu/imhe/whatworks
✉ fabrice.henard@oecd.org or jlane@albany.edu
- 17-19 Sept. 2012** IMHE General Conference: *Attaining and Sustaining Mass Higher Education*, Paris, France
www.oecd.org/edu/imhe/generalconference
- December 2012** Results and next steps of the Assessment of Higher Education Learning Outcomes (AHELO) feasibility study
✉ ahelo@oecd.org

- 11-14 Sept. 2012** 24th Annual EAIE Conference, Dublin, Ireland
www.eaie.org/Dublin/
- 13-16 Nov. 2012** 14th IAU General Conference *Higher Education and the Global Agenda: Alternative Paths to the Future*, San Juan, Puerto Rico
www.iau-aiu.net/

OTHER MEETINGS OF INTEREST

- 30 January 2012** MODERN conference *Engaging in the Modernisation Agenda for European Higher Education*, Brussels, Belgium
www.highereducationmanagement.eu/
- 29 August - 01 September 2012** 16th Annual Conference of IEASA *Promoting Higher Education Internationalisation through International Research Collaborations, Partnerships and Innovative Teaching*
www.ieasa2012.cmc-uct.co.za



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